

HENSCHEL COMBINE

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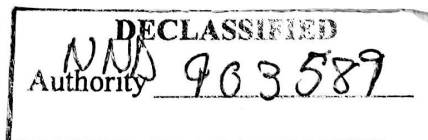
Office of Military Government
for Germany (U.S.)
Property Division
Decartelization Branch
Berlin, APO 742

HQ Control Commission
for Germany (BE)
Economic Sub-Commission
Control and Decartelization Branch
Berlin, BAOR

In the Matter of
the HEINSCHEL COMBINE }

Bipartite Deconcentration
Action... No. ____

DETERMINATION AND DIRECTIVE



I. AUTHORITY FOR PROCEEDINGS

1. These proceedings are instituted by the Decartelization Branch, Property Division, Office of Military Government for Germany (U.S.), under U.S. Military Government Law No. 56, entitled "Prohibition of Excessive Concentration of German Economic Power", effective as of 12 February 1947, as supplemented by Regulation No. 1, as amended, and General Order No. 35 dated 16 April 1947; and by the Control and Decartelization Branch, Economic Sub-Commission, HQ Control Commission for Germany (EE), under British Military Government Ordinance No. 78, entitled "Prohibition of Excessive Concentration of German Economic Power", effective as of 12 February 1947, as supplemented by Regulation No. 1, as amended, and Notice of Appointment dated 27 May 1947.

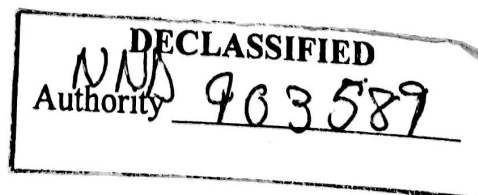
2. These proceedings are instituted against the Henschel Combine, an economic enterprise, the core of which is Henschel und Sohn GmbH (hereinafter sometimes referred to as H&S), an operating and holding company having its seat of administration and headquarters at Kassel, Land Hesse, United States Zone of Occupation in Germany (hereinafter referred to as U.S. Zone). The term "Henschel Combine" includes Henschel und Sohn GmbH, Industrieverwaltungen Oscar R. Henschel (and administrative and holding company having its seat of administration at Kassel, Land Hesse, U.S. Zone), Henschelsche Familienverwaltung GmbH (a company specially organized for jointly administering participations of five members of the Henschel Family in economic enterprises and having its seat of administration at Kassel, Land Hesse, U.S. Zone), the Henschel Family (as defined in Paragraph 19), and all of the enterprises and participations owned or controlled by the Henschel Family and the above-named companies.

3. It is determined that these proceedings are a matter involving more than one Land of the Bizonal Area of Occupation in Germany.

II. SUBJECT PERSONS

4. The following persons (natural and juristic), who are referred to in the Statement of Facts, are the subjects of these proceedings, that is, are required to comply with provisions of the Directive:

- a. Oscar R. Henschel, son of the late Carl Henschel and Minnie Henschel (nee Martin), residing at Gut Falkenburg, Bezirk Kassel, Land Hesse, U.S. Zone;
- b. Robert Henschel, son of the late Carl Henschel and Minnie Henschel (nee Martin), residing in Kassel, Land Hesse, U.S. Zone;
- c. Hildegard Henschel (nee von Scheffer), widow of the late Carl Henschel, residing at Hebenhausen, Witzenhausen, Land Hesse, U.S. Zone;
- d. Sophie Henschel, daughter of the late Carl Henschel and Hildegard Henschel, residing in Kassel, Land Hesse, U.S. Zone;



- e. Maria von Arnim (nee Henschel), daughter of the late Carl Henschel and Hildegard Henschel, residing in Kassel, Land Hesse, U.S. Zone;
- f. Karl Anton Henschel, son of the late Carl Henschel and Hildegard Henschel, residing in Kassel, Land Hesse, U.S. Zone;
- g. Reinhard Henschel, son of the late Carl Henschel and Hildegard Henschel, residing in Kassel, Land Hesse, U.S. Zone;
- h. Irene Henschel (nee von Siemens), wife of Oscar R. Henschel, residing at Gut Falkenburg, Bezirk Kassel, Land Hesse, U.S. Zone; and
- i. Henschel und Sohn GmbH, a limited liability company having its seat of administration and headquarters at Kassel, Land Hesse, U.S. Zone.

III. STATEMENT OF FACTS

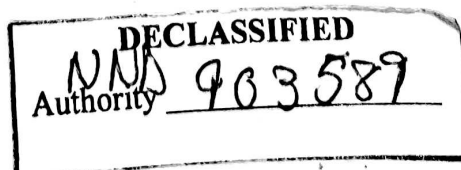
A. Introduction

5. This Statement of Facts contains information concerning the Henschel Combine. It is based upon a report filed by Henschel und Sohn GmbH pursuant to the provisions of Regulation No. 1, as amended, under U.S. Military Government Law No. 56, and upon data considered by the U.S. Decartelization Branch and the British Control and Decartelization Branch to be relevant and material. Paragraphs 6-18, inclusive, deal with three key companies of the Henschel Combine, namely Henschel und Sohn GmbH, Industrierwerbungen Oscar R. Henschel, and Henschelsche Familienverwaltung GmbH. Paragraphs 19-21, inclusive, deal with the Henschel Family and its holdings.

B. Henschel und Sohn GmbH

6. Henschel und Sohn GmbH, Kassel, by virtue of its ownership of three main plants in the Kassel area and its control of numerous subsidiaries, is the most important enterprise of the Henschel Combine. It has engaged or is engaging primarily, but not exclusively, in the business of manufacturing, selling and repairing locomotives, trucks, trolley busses, boilers, airplanes, motors, tanks, guns and components thereof, and is exclusively owned by the following members of the Henschel Family to the approximate degree indicated respectively for each member:

| | | |
|-------------------|--------|-------|
| Oscar R. Henschel | owning | 69.0% |
| Robert Henschel | " | 9.5% |
| Reinhard Henschel | " | 6.5% |
| Sophie Henschel | " | 7.5% |
| Maria von Arnim | " | 7.5% |
| (nee Henschel) | | |



7. The Henschel enterprise was started in 1810 at Kassel, and reached its peak approximately 130 years later under the direction of Oscar R. Henschel. It started primarily as a foundry for guns. Within a few years it began manufacturing steam engines, and in 1848 made its first locomotive. In the course of the following years the enterprise shifted its emphasis more exclusively to the manufacture of locomotives, abandoning almost all other sidelines. Shortly after 1900 the Henschel enterprise began branching out. It acquired first the Heinrichshuette in Hattingen/Ruhr, and later the majority interest in the Essener Steinkohlenbergwerke A.G. In 1920 it was converted into Henschel und Sohn GmbH, and in 1929 was converted into Henschel und Sohn A.G., with a capital of RM 45,000,000. In 1937 it was converted back to Henschel und Sohn GmbH, and so remains now. All new shares as well as the old remained in the hands of Carl Henschel and his relatives following all reorganizations. During the depression years of the 1920s H&S, in addition to the manufacture of locomotives, began the construction of motor trucks and busses. In a series of transactions occurring in or about 1929, H&S sold its interest in Heinrichshuette and Essener Steinkohlenbergwerke to Gelsenkirchener Bergwerke A.G., and at approximately the same time it bought the locomotive quotas of R. Wolf A.G., Linke-Hofmann-Busch-Werke, and Hannoversche Maschinenbau A.G., thus acquiring approximately a third of the locomotive production quota for the Reichsbahn. From 1933 to 1943 H&S established or acquired the following major enterprises: Henschel Flugzeugwerke A.G., Henschel Flugmotorenbau GmbH, Wiener Lokomotivfabrik A.G., Oberschlesische Lokomotivwerke A.G., Rax Werke GmbH, and others listed elsewhere. Some of these properties were subsequently lost to H&S.

8. As of 31 December 1945, Henschel und Sohn GmbH had assets valued at RM 291,771,608.68 in its Balance Sheet of that date. Fixed assets (land, buildings, machinery and fixtures, works railway, tools, investments in affiliated companies, concessions and other rights) were valued at RM 90,043,139.79. Current assets (raw materials, supplies, finished goods, accounts receivable, notes receivable, deposits with banks, cash, etc.) were valued at RM 192,843,372.74.

9. Henschel und Sohn GmbH owns three main plants, situated at Kassel, Land Hesse, U.S. Zone. These plants are identified and described as follows:

- a. The Rothenditmold Plant, Kassel, which is used primarily for the manufacture of boilers, consists in the main of a locomotive boiler shop, a large hammer-mill shop, a hydraulic press shop, and other smaller installations.
- b. The Mittelfeld Plant, Kassel, which is used primarily for production of locomotive frames and heavy trucks, consists in the main of a frame and tender shop, a mechanical finishing shop, a pattern shop, a foundry and a locomotive repair shop.
- c. The Kassel Plant, Kassel, which is used primarily for the final assembly of locomotives, consists in the main of an erecting shop, a mechanical finishing shop, a wheel shop and a narrow-gauge locomotive shop (for mining engines).

10. Henschel und Sohn GmbH owns participations in numerous German companies, some of which own participations in other companies. Information concerning these companies and certain foreign companies in which H&S owned participations, including information as to their participations, is set out below.1/

- a. Henschel Flugmotorenbau GmbH, Kassel, was formerly engaged in the manufacture of internal combustion aircraft engines. It is owned 53.8 per cent by H&S and 41.7 per cent by Schoenefelder Industriegesellschaft A.G. (formerly Henschel Flugzeugwerke A.G.).
 - (1) Werkzeugbau GmbH, Wega, is engaged in the manufacture of machine tools. This company is owned 50 per cent by Henschel Flugmotorenbau GmbH and 50 per cent by Industrieverwaltungen Oscar R. Henschel.
 - (2) Henschel Flugmotorenbau Gefolgschaftsversorgung GmbH, Kassel, is engaged in the business of selling consumer goods to the Henschel employees. It is owned 100 per cent by Henschel Flugmotorenbau GmbH.
- b. Hessische Braunkohlen- und Ziegelwerke GmbH, Kassel is engaged in the business of mining brown coal (lignite) and in the production of bricks. (Under recent Hessian socialization law, H&S lost outright ownership and has become a mere custodian in behalf of Land Hesse).
 - (1) Soehrebahn A.G., Kassel, a small railroad company, mainly serves the needs of Hessische Braunkohlen- und Ziegelwerke GmbH, which owns 55 per cent of the stock, the remaining portion being held by Landkreis Kassel.
- c. R. Dolberg A.G., Berlin, is engaged primarily in the business of manufacturing narrow-gauge locomotives, construction equipment and related articles. It owns manufacturing facilities situated in Berlin and Dortmund. It is owned 68.8 per cent by H&S and 25 per cent by Otto Wolff.
- d. Deutsche Brown Getriebe GmbH, Kassel, is engaged primarily in the business of engineering and designing of worm gears. It is owned 33 1/3 per cent by H&S, 33 1/3 per cent by Brown Company in England, and 33 1/3 per cent by Herr Puchstein's heirs. (Puchstein owned the firm which acted as the Brown Company's representative in Germany).

1/ With exception of assets subject to the jurisdiction of the United Kingdom, British Dominions, India, Colonies and Possessions, the Union of Soviet Socialist Republic, the United States, France, and any other United Nations determined by the Control Council, Control Council Law No. 5 vested in the German External Property Commission all rights, titles, and interests in respect to any property outside Germany which was owned or controlled by any person of German nationality inside Germany, and any property outside Germany which was owned or controlled by any person of German nationality outside Germany, or by any branch of any business or corporation or other legal entity organized under the laws of Germany, or having its principal place of business in Germany.

- e. Berlin Truck Transport GmbH, Berlin, is engaged primarily in the business of operating repair shops for the rehabilitation of American vehicles. It is owned 70 per cent by the City of Berlin and 30 per cent by H&S.
- f. Hessische Industrie- und Handels GmbH, Kassel, was originally formed for the purpose of manufacturing and selling large coffee urns for restaurants and hotels. (Apparently it never came into production. However, the corporate structure was used as a vehicle for negotiating other deals and agreements.)
- g. Kur- und Badehaus GmbH, Kassel-Wilhelmshoehe, is engaged primarily in the business of promoting the baths and other health attractions of the Kassel area. It is owned 23 per cent by H&S, 23 per cent by the City of Kassel, 29 per cent by Kasseler Verkehrs A.G. and 25 per cent by Landeskreditkasse Kassel.
- h. Gewerkschaft Alte Dreisbach, Kassel, is engaged primarily in the business of mining iron ore. It is owned 100 per cent by H&S.
- i. Henschel Warenversorgung GmbH, Kassel, is engaged in the business of selling consumer goods to the Henschel employees by means of the "company store" method. It is owned 100 per cent by H&S.
- j. Schoenefelder Industriegelände A.G., (formerly Henschel Flugzeugwerke A.G.), Berlin, was formerly engaged in the manufacture of airplanes. It is owned 100 per cent by H&S.
- k. Wiener Lokomotivfabrik A.G., Vienna (Austria), has been engaged primarily in the manufacture of locomotives and was the largest producer in Austria. It was owned 86.5 per cent by H&S.
 - (1) Lofag Werks-Konsum GmbH, Vienna (Austria), was owned 100 per cent by Wiener Lokomotivfabrik A.G.
 - (2) Rax-Werk GmbH, Vienna-Neustadt (Austria), has been engaged primarily in the manufacture of locomotive tenders. It was owned 88 per cent by Wiener Lokomotivfabrik A.G. (above) and 12 per cent by H&S.
- l. Oberschlesische Lokomotivwerke A.G., Krenau (Upper Silesia), Poland, has been engaged primarily in the manufacture of locomotives, formerly being the largest producer in Poland. It was owned 100 per cent by H&S. It was acquired after the conquest of Poland.
- m. Ostdeutsche Maschinenbau GmbH, Kassel, was formed for the purpose of repairing German Army vehicles in Poland. It was owned 80 per cent by Ruestungskontor and 20 per cent by H&S.

- n. Lokomotiv-Zulieferungs GmbH, Berlin, serves as agent for locomotive builders. It is owned 7.1 per cent by H&S.
- o. Industrie Finanzierungs A.G., Berlin, is not in operation at the present time. It is owned 1.3 per cent by H&S.
- p. Exportdienst Deutscher Automobilfabrik GmbH, Stuttgart, is engaged in the repair of German manufactured vehicles and trade in spare parts. It is owned 1.5 per cent by H&S.
- q. Bauverein fuer Volkseigenheime GmbH, Kassel, is engaged primarily in the business of securing allotments of dwellings for Henschel workers. It is owned 1.6 per cent by H&S.
- r. Hessische Heimat Siedlungs GmbH, Kassel, is engaged primarily in the business of securing allotments of dwellings for Henschel workers. It is owned 3.5 per cent by H&S.
- s. Deutsche Industriebank, Berlin (U.S. Sector), is engaged primarily in the business of banking. It is owned 0.6 per cent by H&S.
- t. Transocean GmbH, Berlin, is engaged in the business of telegraphic communications. It is owned 0.3 per cent by H&S.
- u. Hessische Heimstaetten GmbH, Kassel, is engaged primarily in the business of securing allotments of dwellings for Henschel workers. It is owned 0.37 per cent by H&S.

11. Before World War II, H&S accounted for 40 per cent of Germany's locomotive production, and about 15 per cent of Germany's trolley bus production. At its peak, during World War II, H&S had gross assets of approximately RM 300,000,000 and employed, directly or indirectly, between 65,000 and 75,000 workers. In the three main plants at Kassel alone there were approximately 23,000 workers, a figure which could be equalled again as soon as materials, workmen and accessible export markets were made available. Moreover, the firm greatly expanded in furtherance of its war effort. Today, it possesses the most extensive locomotive facilities on the continent of Europe, constituting between 70 and 80 per cent of all Germany's facilities of that character. In addition, H&S currently accounts for from 90 to 95 per cent of all Germany's trolley bus manufacturing capacity.

12. H&S rose to such a position that it dominated the locomotive industry on the continent of Europe. Moreover, it also held commanding positions in several other fields of production. It could and did market its locomotives almost without regard to the price it charged, and as a consequence it was not necessary that it adopt the most technologically efficient methods of production. The current interchange between factories of parts and assemblies is and has been wasteful, costly and inefficient. The price of the Henschel locomotives has been "notoriously high".

13. Regardless of the fact that H&S lost much of its property as a result of the war, it lost less in ratio than did other similar enterprises. The German economic power of H&S remains relatively as concentrated now as it was in the 1920s when the groundwork of the Nazi program was being laid.

C. Industrieverwaltungen Oscar R. Henschel

14. Industrieverwaltungen Oscar R. Henschel, Kassel, is owned 100 per cent by Oscar R. Henschel. It was organized primarily for the purpose of voting and managing the Henschel stock interests in the following business enterprises:

Henschel und Sohn GmbH
Henschel Flugzeugwerke A.G.
Henschel Flugmotorenbau GmbH
Wiener Lokomotivfabrik A.G.
Oberschlesische Lokomotivwerk A.G.
R. Dolberg A.G.

Each of these enterprises is more particularly identified and described in Paragraph 10.

15. Henschel Export GmbH, Berlin, is owned approximately 99 per cent by Industrieverwaltungen Oscar R. Henschel and approximately 1 per cent by Oscar R. Henschel. It is engaged primarily in the business of buying and selling certain types of commodities. It has a controlling interest in one German company (Henschel Werke GmbH) and has had participations in companies domiciled in Italy, Roumania and Switzerland, some of which owned participations in other companies. Information concerning these companies is set out below:

- a. Henschel Werke GmbH was founded in July 1945 to exploit commercially and to utilize the Berlin facilities of the Henschel Combine. As a result of requisitioning by the German and Allied governmental authorities, coupled with the incidence of Property Control by Military Government, the firm's activities now consist largely of administering Henschel real estate in Berlin.
- (1) Einkaufsstelle fuer die Reichsbahn Fahrzeug-Ausbesserung GmbH, commonly known as "Erfa", with principal offices located in Berlin, was engaged primarily in buying and selling various commodities at wholesale. It is owned 70 per cent by Henschel Werke GmbH.
- b. S.A. Macchine Ferrovie "Brevetti Henschel" ("Samfs"), Milan (Italy), had the exclusive Italian rights for the manufacture and sale of various Henschel products. It was owned 100 per cent by Henschel Export GmbH.
- c. Societate Anonima Romana Pentru Masini Si Motoare ("Steaua Motrica"), Bucharest (Roumania), was engaged in importing locomotives. It was owned 95.7 per cent by Henschel Export GmbH. (Aryanized).

d. Jon A.G., Zurich (Switzerland), a patent holding company, was owned 100 per cent by Henschel Export GmbH.

(1) Lanova GmbH, Munich, is a patent holding company closely linked by licensing agreements with Henschel und Sohn GmbH. It was owned 40 per cent by Jon A.G.

(2) Lanova A.G., Zurich (Switzerland), is a participant in a patent pool centering around the various companies bearing the name of Lanova. It was owned 25 per cent by Jon A.G.

16. Wega Werkzeugbau GmbH, Wega, founded in the latter part of 1945, is owned 82.57 per cent by Robert Henschel, whose holdings are largely administered by Industrieverwaltungen Oscar R. Henschel. It produces machinery and utensils.

D. Henschelsche Familienverwaltung GmbH

17. Henschelsche Familienverwaltung GmbH, Kassel, was organized primarily for the purpose of administering the properties of certain members of the Henschel Family. The owners and the approximate percentage owned by each are:

| | | |
|---------------------|--------|-------|
| Hildegard Henschel | owning | 42.8% |
| Sophie Henschel | " | 14.3% |
| Reinhard Henschel | " | 14.3% |
| Karl Anton Henschel | " | 14.3% |
| Maria von Arnim | " | 14.3% |
| (nee Henschel) | | |

Each of these participants is more particularly identified and described in Paragraphs 19 and 20.

18. Enterprises in which some of the above-mentioned members of the Henschel Family and, in some cases, Robert Henschel, have important holdings, are as follows:

a. Viersener Spinnerei, Viersen, a textile establishment, which is owned 57 per cent by Hildegard, Karl Anton and Sophie Henschel and Marian von Arnim.

b. Hansa Schwerweberei, Kassel, a textile establishment, which is owned 71.5 per cent by Hildegard and Sophie Henschel and Maria von Arnim. (Aryanized).

c. Textilwerke Karl Anton Henschel, Kassel, a textile establishment, which is owned 100 per cent by Karl Anton Henschel. (Aryanized).

d. Diwig Chemische Fabriken, Berlin, a chemical enterprise, which is owned 93.5 per cent by Robert, Hildegard, Karl Anton and Sophie Henschel and Maria von Arnim. (Aryanized).

- e. Bankhaus von Wangenheim & Co., Kassel, a banking establishment, which is owned 41 per cent by Robert and Karl Anton Henschel. (Aryanized).
- f. Maschinenfabrik Sangerhausen A.G., Sangerhausen (Russian Zone), a producer of machinery, which is owned 21 per cent by Hildegard Henschel and Maria von Arnim.

E. Henschel Family and its Holdings

19. The Henschel Combine, developed to a large extent by Carl Henschel who died in 1924, reached its peak during the Nazi regime under the management of his son, Oscar R. Henschel. The late Carl Henschel was married first to Minnie Martin, and of that union two children survive: Oscar R. Henschel and Robert Henschel. His second wife was the former Hildegard von Scheffer and of that union four children survive: Sophie Henschel, Maria Henschel, Reinhard Henschel and Karl Anton Henschel. Hildegard Henschel (nee von Scheffer), the six surviving children named above and their spouses (including Irene Henschel (nee von Siemens)) are herein denominated the Henschel Family.

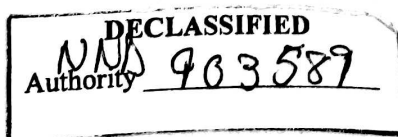
20. The following persons, all members of the Henschel Family, are identified below as to name, address, relationship to the deceased Carl Henschel, and their approximate holdings in Henschel und Sohn GmbH and in other enterprises:

| <u>Name and Address</u> | <u>Family Relationship</u> | <u>Holdings</u> | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|-------------------|----|-----------|-----------------------|---|--------|------------------|----|--------|-----------------------|---|--------|-------------------------|---|--------|---------------------|---|--------|------------|---|-------|
| a. <u>Members by First Marriages:</u> | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Oscar R. Henschel, Gut Falkenberg, Bezirk Kassel | Son | <table border="0"> <tr> <td>Henschel und Sohn</td> <td></td> <td>69%</td> </tr> <tr> <td>Industrieverwaltungen</td> <td></td> <td>100%</td> </tr> <tr> <td>Siemens & Halske</td> <td>RM</td> <td>80,000</td> </tr> <tr> <td>R. Dolberg</td> <td>"</td> <td>20,880</td> </tr> <tr> <td>Berliner Maschinenbau</td> <td>"</td> <td>13,900</td> </tr> <tr> <td>Zuckerfabrik Wabern</td> <td>"</td> <td>12,500</td> </tr> <tr> <td>Reichsbank</td> <td>"</td> <td>3,000</td> </tr> </table> <p>(His holdings were sufficient to make him chairman of seven supervisory boards and a member of six others).</p> | Henschel und Sohn | | 69% | Industrieverwaltungen | | 100% | Siemens & Halske | RM | 80,000 | R. Dolberg | " | 20,880 | Berliner Maschinenbau | " | 13,900 | Zuckerfabrik Wabern | " | 12,500 | Reichsbank | " | 3,000 |
| Henschel und Sohn | | 69% | | | | | | | | | | | | | | | | | | | | | |
| Industrieverwaltungen | | 100% | | | | | | | | | | | | | | | | | | | | | |
| Siemens & Halske | RM | 80,000 | | | | | | | | | | | | | | | | | | | | | |
| R. Dolberg | " | 20,880 | | | | | | | | | | | | | | | | | | | | | |
| Berliner Maschinenbau | " | 13,900 | | | | | | | | | | | | | | | | | | | | | |
| Zuckerfabrik Wabern | " | 12,500 | | | | | | | | | | | | | | | | | | | | | |
| Reichsbank | " | 3,000 | | | | | | | | | | | | | | | | | | | | | |
| (2) Irene Henschel (nee von Siemens), Gut Falkenberg, Bezirk Kassel | Daughter in Law (Wife of Oscar) | <table border="0"> <tr> <td>Siemens & Halske</td> <td>RM</td> <td>3,988,000</td> </tr> <tr> <td>Berliner Maschinenbau</td> <td>"</td> <td>13,900</td> </tr> <tr> <td>R. Dolberg</td> <td>"</td> <td>43,400</td> </tr> <tr> <td>Westboden Pfandbriefe</td> <td>"</td> <td>23,000</td> </tr> <tr> <td>Deutsche Gold-u. Silber</td> <td>"</td> <td>5,000</td> </tr> </table> | Siemens & Halske | RM | 3,988,000 | Berliner Maschinenbau | " | 13,900 | R. Dolberg | " | 43,400 | Westboden Pfandbriefe | " | 23,000 | Deutsche Gold-u. Silber | " | 5,000 | | | | | | |
| Siemens & Halske | RM | 3,988,000 | | | | | | | | | | | | | | | | | | | | | |
| Berliner Maschinenbau | " | 13,900 | | | | | | | | | | | | | | | | | | | | | |
| R. Dolberg | " | 43,400 | | | | | | | | | | | | | | | | | | | | | |
| Westboden Pfandbriefe | " | 23,000 | | | | | | | | | | | | | | | | | | | | | |
| Deutsche Gold-u. Silber | " | 5,000 | | | | | | | | | | | | | | | | | | | | | |

| <u>Name and Address</u> | <u>Family Relationship</u> | <u>Holdings</u> |
|--------------------------------|----------------------------|---|
| (3) Robert Henschel, Kassel | Son | Henschel und Sohn 9.5% Wega Werkzeugbau 82.5% Diwag 15.2% Bankhaus von Wangenheim 20.5% Berliner Maschinenbau RM 6,200 Bayr.Hyp.Pfandbriefe " 10,200 |

b. Members by Second Marriage:

| | | |
|---|----------|--|
| (1) Hildegard Henschel (nee von Scheffer), Hebenhausen, Witzenhausen | Wife | Familienverwaltung 42.8% Maschinenfabrik Sangerhausen 10.5% Hansa Schwerweberei 20.0% Viersener Spinnerlei 30.4% Diwag 8.3% Berliner Maschinenbau RM 80,000 I.G. Farben " 111,000 Vereinigte Stahlwerke " 24,000 Amperwerke " 12,000 Rheinmetall-Borsig " 70,000 Siemens & Halske " 70,000 Hannemann " 54,000 Berliner Licht & Kraft " 81,000 A.E.G. " 12,000 Buderus " 24,000 Dtsch.Eisenhandel " 50,000 Dtsch. Erdoel " 54,000 Dtsch.Waffen u.Munition " 39,000 Elektr.Licht & Kraft " 10,000 Elektr.Lieferungs-Ges. " 15,000 Th. Goldschmidt " 6,000 Harpener Bergbau " 18,000 Hoesch " 12,000 Ilseder Kuette " 19,200 R.W.E. " 70,000 Rhein.-Hypothekenbank " 12,000 Dessauer Gas " 24,000 Schering " 10,000 Schultheiss Brauerei " 12,000 Elektr.Werke Schlesien " 5,000 Glauziger Zucker " 12,000 Schles.Bergbau Beuthen " 12,000 Dtsch.Atlant.Telegraphen " 6,000 Westboden Pfandbr. " 67,000 Meininger Hyp.Pfandbriefe 40,000 Rhein.Hypoth.Bank Pfandbr. 68,000 |
| (2) Sophie Henschel, Kassel | Daughter | Henschel und Sohn 7.5% Familienverwaltung 14.3% Hansa Schwerweberei 15.0% Diwag 25.0% Maschinenfabrik Esslingen RM 14,000 Metallgesellschaft " 25,000 |



| <u>Name and Address</u> | <u>Family Relationship</u> | <u>Holdings</u> | |
|--|----------------------------|---------------------------------|------------|
| (2) Sophie Henschel Kassel (cont.) | | Metallgesellschaft | RM 30,000 |
| | | Berliner Maschinenbau | " 10,000 |
| | | Zuckerfabrik Oberjesa | " 14,000 |
| | | Kasseler Landeskredit | " 1,200 |
| | | Kasse Pfandbr. | " |
| (3) Maria von Arnim (nee Henschel), Kassel | Daughter | Viersener Spinnerel | " 50,000 |
| | | Henschel und Sohn | 7.5% |
| | | Familienverwaltung | 14.3% |
| | | Diwag | 25.0% |
| | | Maschinenfabrik Sangerhausen | 10.5% |
| | | Hansa Schwerweberei | 36.5% |
| | | | RM 690,000 |
| | | Mannesmann | " 20,400 |
| | | Esslingen Maschinenfabrik" | 36,000 |
| | | Vereinigte Stahlwerke | " 10,000 |
| | | Viersener Spinnerel | " 120,000 |
| | | Berliner Maschinenbau | " 15,000 |
| | | Metallgesellschaft | " 75,000 |
| | | Deutsche Bank | " 40,000 |
| | | Kasseler Landeskredit | " 10,000 |
| | | Vereinigte Grossalmeroder" | 3,300 |
| (4) Karl Anton Henschel, Kassel | Son | Familienverwaltung | 14.3% |
| | | Textilwerke Karl Anton Henschel | 100.0% |
| | | Bankhaus von Wangenheim | 20.5% |
| | | Diwag | 25.0% |
| | | Viersener Spinnerel | RM 35,000 |
| | | Metallgesellschaft | " 30,000 |
| | | Mannesmann | " 12,000 |
| | | Maschinenfabrik Esslingen" | 20,000 |
| | | Amperwerke | " 30,000 |
| | | Eisenbahn Verkehrsmittel | " 30,000 |
| (5) Reinhard Henschel, Kassel | Son | Henschel und Sohn | 6.5% |
| | | Familienverwaltung | 14.3% |
| | | Berliner Maschinenbau | RM 25,300 |
| | | Metallgesellschaft | " 45,000 |

21. It is thus apparent that the Henschel Family power can be and has been, through financial participation by one or more members of the Henschel Family, exercised over approximately 50 German enterprises, most of which are related to the heavy industry field. The power and influence of the Henschel name is such that even minor participation in another enterprise gives a status to the Henschel view not accorded to the views of larger but less influential participants. In addition, 12 Henschel company directors, not members of the Henschel Family, hold directorships on one or more of 25 key industrial enterprises in Germany, among some of them in which there is no apparent Henschel financial interest, such as Adam Opel, Friedrich Flick, Henkel & Cie and Frigidor. It is possible therefore for the Henschel Family

power, directed as events indicate toward the elimination or control of competition, to be presented in almost compelling terms to a controlling segment of German industrial and financial institutions at any given time.

IV. DETERMINATIONS

22. The U.S. Decartelization Branch, having considered the factors mentioned in Paragraph 4 of U.S. Military Government Law No. 56 and the facts set forth in the Statement of Facts, hereby determines that the Henschel Combine is an excessive concentration of economic power within the meaning of U.S. Military Government Law No. 56; and the British Control and Decartelization Branch, having considered the factors mentioned in Paragraph 4 of British Military Government Ordinance No. 78 and the facts set forth in the Statement of Facts, hereby determines that the Henschel Combine is an excessive concentration of economic power within the meaning of British Military Government Ordinance No. 78.

V. STATEMENT OF DECONCENTRATION MEASURES

23. The U.S. Decartelization Branch deems it to be necessary, in view of the determination of excessiveness reached in the first part of Paragraph 20 above and the evidence and data presently available to it and in order to accomplish the purposes of U.S. Military Government Law No. 56, and the British Control and Decartelization Branch deems it to be necessary, in view of the determination of excessiveness reached in the second part of Paragraph 20 above and the evidence and data presently available to it and in order to accomplish the purposes of British Military Government Ordinance No. 78, that the persons (natural and juristic) named below take the measures specified after their respective names:

- a. Henschel und Sohn GmbH shall effect the complete and perpetual severance of any and all ties of ownership, control and management between the firm of Henschel und Sohn GmbH and at least two of the three main plants identified and described in Paragraph 9 above.
- b. Henschel und Sohn GmbH shall effect the complete and perpetual severance of any and all ties of ownership, control and management, whether direct or indirect, and whether based upon stock participation or otherwise, between the firm of Henschel und Sohn GmbH and each and all of the following German enterprises:
 - (1) Henschel Flugmotorenbau GmbH, Kassel;
 - (2) Hessische Braunkohlen- und Ziegelwerke GmbH, Kassel;
 - (3) R. Dolberg A.G., Berlin;
 - (4) Deutsche Brown Getriebe GmbH, Kassel;
 - (5) Berlin Truck Transport GmbH, Berlin;
 - (6) Hessische Industrie- und Handels GmbH, Kassel;
 - (7) Kyr- und Badehaus GmbH, Kassel-Wilhelmshoehe;
 - (8) Gewerkschaft Alte Dreisbach, Kassel;
 - (9) Henschel Warenversorgung GmbH, Kassel;
 - (10) Schoenefelder Industriegelände A.G., (formerly Henschel Flugzeugwerke A.G.), Berlin;

- (11) Lokomotiv-Zulieferungs GmbH, Berlin;
- (12) Transocean GmbH, Berlin;
- (13) Industrie Finanzierungs A.G., Berlin;
- (14) Exportdienst Deutscher Automobilfabriken GmbH, Stuttgart;
- (15) Deutsche Industriebank, Berlin (U.S. Sector); and
- (16) Ostdeutsche Maschinenbau GmbH, Kassel.

- c. Henschel und Sohn shall effect the complete and perpetual severance of any and all ties of ownership, control and management, whether direct or indirect, and whether based upon stock participation or otherwise, which have not been severed by Control Council Law No. 5 or otherwise, between the firm of Henschel und Sohn GmbH and all enterprises situated outside of Germany.
- d. Oscar R. Henschel shall effect the complete and perpetual dissolution and liquidation of Industrieverwaltungen Oscar R. Henschel, Kassel (U.S. Zone).
- e. Hildegard Henschel, Sophie Henschel, Reinhard Henschel, Karl Anton Henschel and Maria von Arnim shall effect the complete and perpetual dissolution and liquidation of Henschelsche Familienverwaltung GmbH, Kassel (U.S. Zone).
- f. Oscar R. Henschel, Robert Henschel, Hildegard Henschel, Sophie Henschel, Maria von Arnim, Karl Anton Henschel, Reinhard Henschel and Irene Henschel shall effect the disposal of their participations in such industrial and commercial enterprises as may be capable of acting as competitors, suppliers or customers of H&S upon the completion of the severances contemplated by Items a. and b. of this Paragraph.

Execution of the measures specified above shall be in accordance with detailed methods and procedures contained in such plans as may be filed with the German Decartelization Agency for Hesse (See Paragraphs 24, 25, 26 and 27 below) and approved by the U.S. Decartelization Branch and the British Control and Decartelization Branch or in accordance with detailed methods and procedures to be prescribed by the two agencies. The disposition of interests in properties and enterprises located in Germany but outside of the Bizonal Area of Occupation therein shall not be carried out until economic unity of Germany has been agreed upon or until otherwise directed in the "Final Determination and Order" issued in these proceedings.

VI. DIRECTIVE

24. Henschel und Sohn GmbH is hereby directed to file with the German Decartelization Agency for Hesse, Wiesbaden, within ninety (90) days of the date of service of this "Determination and Directive", a plan for executing the measures described in Items a., b. and c. of Paragraph 23 above. If Henschel und Sohn GmbH shall elect to retain one of the plants identified and described in Paragraph 9 above, it shall indicate, in a statement attached to such plan, its election and the lines of industrial activity for which it

proposes to utilize the retained plant. If it proposes to utilize the retained plant for more than one major line of industrial activity, it shall indicate, in such statement, the reasons therefor.

25. Oscar R. Henschel is directed to file with the German Decartelization Agency for Hesse, Wiesbaden, within ninety (90) days of the date of service of this "Determination and Directive", a plan for executing the measure described in Item d. of Paragraph 23 above.

26. Hildegard Henschel, Sophie Henschel, Reinhard Henschel, Karl Anton Henschel and Maria von Arnim are directed to file with the German Decartelization Agency for Hesse, Wiesbaden, within ninety (90) days of the date of service of this "Determination and Directive", a plan for executing the measure described in Item e. of Paragraph 23 above.

27. Oscar R. Henschel, Robert Henschel, Hildegard Henschel, Sophie Henschel, Maria von Arnim, Karl Anton Henschel, Reinhard Henschel and Irene Henschel are directed to file with the German Decartelization Agency for Hesse, Wiesbaden, within ninety (90) days of the date of service of this "Determination and Directive", a plan or plans for executing the measures described in Item f. of Paragraph 23 above. The plan or plans shall be accompanied by a detailed accounts of all their participations in industrial and commercial enterprises.

28. Two originals, one in English and one in German, duly executed, of each plan required by this Directive, accompanied by six (6) true copies in English and six (6) true copies in German, shall be filed.

VII. GENERAL

29. This "Determination and Directive" is concerned with the deconcentration of the Henschel Combine. Any contracts, agreements and practices in restraint of trade will be the subject of such other action as may be necessary.

30. The provisions of this "Determination and Directive" are subject to the provisions of Regulation No. 1, as amended, under U.S. Military Government Law No. 56, relating to the filing of objections. Failure to file objections, within the time allowed, to any part of the "Determination and Directive" to which objections may be filed, shall constitute a waiver of the right to a hearing and appeal with respect to such part of the "Determination and Directive".

31. In interpreting this "Determination and Directive", the English text shall govern.

32. Any person violating or evading, or attempting to violate or evade, any directive contained in this "Determination and Directive" may be prosecuted as provided in Article VII, Paragraph 12, of U.S. Military Government Law No. 56 or British Military Government Ordinance No. 78.

Dated: _____ 19__

Office of Military Government
for Germany (U.S.)
Property Division
Decartelization Branch

HQ Control Commission
for Germany (BE)
Economic Sub-Commission
Control and Decartelization Branch

Richardson Bronson
Chief

C. C. Oxborrow
Director

G. H. Collison
Deputy Chief.

R. J. B. Williams
Deputy Director

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